



March 24, 2015

The Honorable Peter Roskam
United States House of Representatives
2246 Rayburn House Office Building
Washington, D.C. 20515

The Honorable John Lewis
United States House of Representatives
343 Cannon House Office Building
Washington, D.C. 20515

Dear Chairman Roskam, Ranking Member Lewis, and Members of the Ways and Means Subcommittee on Oversight:

On behalf of the Federation of State Medical Boards (FSMB), I am pleased to submit the following letter for the record in accordance with today's hearing on the federal government's use of data analysis – namely the Centers for Medicare and Medicaid Services' Fraud Prevention System (FPS) – to combat Medicare fraud. The FSMB strongly supports your mission to improve program integrity and provider screening procedures in order to tackle waste, fraud, and abuse in the Medicare and Medicaid system.

The FSMB is committed to partnering with and supporting federal health and law enforcement agencies to combat fraud and abuse, particularly the Centers for Medicare and Medicaid Services (CMS), the Department of Health and Human Services Inspector General (HHS OIG), and the Department of Justice (DOJ). In this capacity, the FSMB welcomes the opportunity to provide assistance with physician licensure and disciplinary data monitoring.

About the FSMB

Founded in 1912, the FSMB is the national non-profit organization representing the 70 state medical and osteopathic boards of the United States and its territories. With offices in Texas and Washington, D.C., the FSMB serves as the collective voice for state boards and supports them in protecting the public health and safety.

Improve Provider Screening and Monitoring

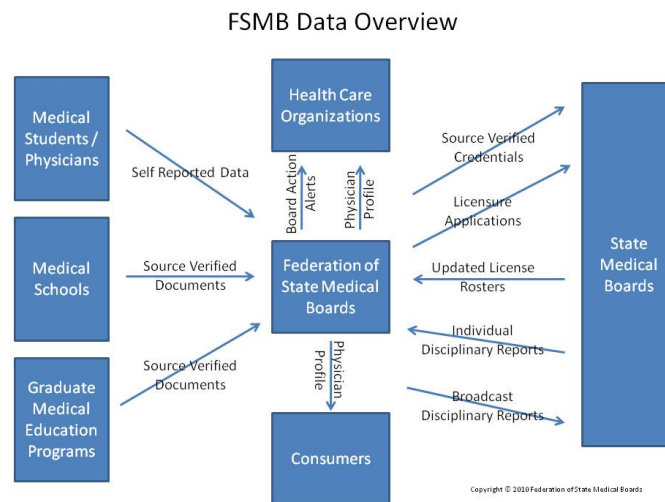
It is estimated that approximately \$60 billion is lost annually as a result of waste, fraud, and abuse in Medicare and Medicaid. In recent years, CMS has taken proactive steps to address this matter, and has sought to replace the "pay and chase" model with the utilization of new technologies and databases to conduct predictive analytics and improve provider screening procedures.

The FSMB applauds these efforts, and strongly believes that CMS' predictive capabilities would benefit from consultation with state boards' physician licensure and disciplinary data. For this reason, in 2011, the FSMB endorsed Chairman Roskam's legislation, *H.R. 3399, The Medicare and Medicaid Fighting Fraud and Abuse to Save Taxpayers' Dollars Act (The Medicare and Medicaid FAST Act)*, which recognized the inherent value of state medical licensing data, and its ability to improve program integrity and help identify fraudulent providers. With nearly a quarter of physicians holding more than one state medical license, it is imperative that all state licenses be screened and monitored simultaneously for fraudulent activity.

The FSMB Physician Data Center

The FSMB retains a central repository of physician licensure and disciplinary data. The FSMB was the first organization to publish and distribute the names of the nation's disciplined physicians. That information is now disseminated electronically via the Federation's Physician Data Center (PDC), a repository of board action and licensure data on U.S. physicians that contains thousands of disciplinary actions dating back to the 1960s. The PDC receives regular updates from medical and osteopathic boards upon taking disciplinary actions against physicians and physician assistants, which would negate the need for CMS to contact each individual board.

Within the Physician Data Center, the FSMB maintains a central repository of formal actions taken against physicians and physician assistants by state licensing and disciplinary boards, the Department of Defense, the U.S. Department of Health and Human Services, and a growing number of international regulatory organizations, including Canada, England, Australia and New Zealand. The FSMB's data flow chart is presented below.



As the preeminent resource for board action information, the Physician Data Center is routinely consulted not only by licensing and disciplinary boards, but also by military, governmental and private agencies and organizations involved in the employment and/or regulation of physicians.

To be included, an action must be a matter of public record or be legally releasable to state medical boards or other entities with recognized authority to review physician credentials. Among the actions included are revocations, probations, suspensions, and other regulatory actions, such as license denials and reinstatements, consent orders, and Medicare exclusions. Certain actions reported to and released by the Physician Data Center are not disciplinary or otherwise prejudicial in nature. Such actions are reported to ensure records are complete and to assist in preventing misrepresentation or the use of lost or stolen credentials by unauthorized persons.

The FSMB has established comprehensive quality assurance procedures to enhance the accuracy and integrity of its information. All data is extracted from multiple data sets and is cross-checked and matched for accuracy with updates being provided on a regular basis. Disciplinary sanctions and other board actions are reported to the FSMB by state medical and osteopathic boards and other regulatory entities on a regular basis. These reported actions are verified in writing and accompanied by supporting documentation, such as copies of board orders, findings of fact, conclusions of law, final decrees and stipulations.

The PDC offers two services for its customers: physician profile reports and disciplinary alerts; both services are recognized as primary source equivalent by the National Committee for Quality Assurance (NCQA) and the Joint Commission on Accreditation of Healthcare.

- **Physician Profile Reports** are queries identifying actions reported on specific individuals. The service provides information pertaining to any actions contained in the PDC and also provides a historical view of disciplinary actions taken by reporting entities.
- **Disciplinary Alerts** are provided via a continuous monitoring service that can alert CMS and OIG to recently adjudicated cases. CMS would provide a list of practitioners that would then be uploaded to be screened against reporting entities on an ongoing basis. A Daily Disciplinary Alert Report would be provided to CMS to notify them that enrollees have had actions taken in other states, allowing for nationwide tracking and monitoring.

PDC users are categorized by customer type, including: credential verification organizations (CVOs), government entities (U.S. Department of Veterans Affairs), hospitals, insurance carriers, physician associations, medical groups, medical societies (American Board of Medical Specialties (ABMS) specialty boards), medical licensing authorities (state medical boards; international regulatory authorities), managed care organizations and placement services (locum tenens). For 2014, nearly 230,000 queries were processed for commercial customers and nearly 80,000 queries were performed on behalf of state medical boards.

Proposed Utilization of Physician Licensure and Disciplinary Data

The FSMB would be able to provide a solution that supports the CMS Provider Enrollment, Chain, and Ownership System (PECOS) and assist in verifying licensure status for CMS eligible providers and monitor that status for those physicians on an ongoing basis. In order to meet this requirement, FSMB recommends adding Medicare and Medicaid providers into the Federation's Disciplinary Alert Service (DAS). As with all technical implementations, the final solution would require detailed coordination between the FSMB and CMS. We envision a process to work similar to the following scenario.

The first step of this process would be the submission of a provider list to FSMB from CMS and its Center for Program Integrity (CPI). The FSMB would then validate this list against its current provider directory and send an acknowledgement of a matching record that includes the current status of each provider's medical license. All data would be exchanged in an agreed upon data record format.

After the initial load of this provider listing, any change in the status of a physician's license, due to an action taken by a medical or osteopathic board, would be immediately reported to CMS/CPI. This will assist CMS in identifying high-risk providers, and those suspected of fraud and abuse.

The FSMB would also be able to assist the OIG in meeting its needs to identify providers fraudulently submitting claims without a valid license. Given that the OIG requires copies of board orders that have resulted in the suspension or revocation of a physician's license by state boards when actions occur, the OIG would benefit considerably from streamlining its processes and receiving board orders as they occur and from a single source. The FSMB has the capability to provide the OIG with board orders daily and a weekly summary report that will allow the OIG to reconcile board orders received.

Following a contractual agreement, the FSMB Physician Data Center would be able to provide and update the databases of CMS, OIG, and DOJ with data matching capabilities for all disciplinary actions taken by state medical boards in any given time frame, allowing the agencies to track and monitor nationwide those physicians suspected of fraud, illegal prescribing practices, or other offenses. Moreover, the FSMB's data monitoring capabilities would assist CMS and OIG with preemptively identifying claims that are being submitted by providers whose licenses have been revoked, suspended or restricted in some other manner that would make them ineligible to submit valid claims for service reimbursement.

Conclusion

The FSMB offers its strong support to the U.S. Congress and the appropriate federal agencies as they seek to devise and implement new mechanisms to combat waste, fraud, and abuse in Medicare and Medicaid. The FSMB would be pleased to meet with you to discuss our capabilities to assist with improving program integrity and provider screening procedures. We thank you for your bi-partisan leadership on this important issue, and look forward to working with you, Congress, and the Administration.

Sincerely,

Humayun Chaudhry, DO, MACP
President and Chief Executive Officer
Federation of State Medical Boards